Stay ahead of the pack

Gjensidige’s competitive strategy focuses on the customer.

by Cheryl D. Krivda

Gjensidige is the largest property and casualty insurance company in Norway. It services 1 million customers, giving it an impressive 30% market share. Yet a highly competitive market with numerous new players helped Gjensidige executives realize that the insurer needed to change its approach to stay on top. “We have to defend our market share,” says Kari Opdal, head of customer relationship management (CRM) at Gjensidige. “We have to start thinking differently.”

Most insurance companies are extremely product-centric, driven to compete on pricing, but Gjensidige decided to shift to a customer-intensive focus in which it is changing the emphasis from pushing single products to helping clients meet their complete financial needs.

Making this switch requires the company to rethink its business processes and build new strategies that emphasize customer-centricity. To accomplish this, Gjensidige uses a data warehouse from Teradata and Teradata CRM. “The strong, rules-based engine in Teradata CRM makes it easier for us to deliver the 1 million ‘segments of one’ that we want to provide each customer,” says Opdal.

Putting Teradata CRM to work

A dozen members of the Gjensidige CRM team use the Teradata solution to distribute customer leads to the sales staff. Some 600 sales representatives use the system daily to understand customer requirements and initiate focused communications. In addition, the company is beginning to perform various types of customer segmentation.

For example, the CRM team works to identify customers who have experienced a significant change in their lives and who would require new financial services products. With this event-based information in hand, a sales rep can approach an individual with a product offer designed to proactively address the person’s new life circumstances or needs. Success rates for the event-based initiative are approaching 30%, a significant improvement over previous programs.

Gjensidige also created a very successful new customer loyalty program. Through it, customers are asked questions about their lives and plans, and the answers are recorded and stored in the Teradata system using Teradata CRM. Sales reps use the information to anticipate customer needs and provide a better experience.

The company’s customer loyalty program is succeeding, Opdal says, and retention rates are far better for the loyalty program customers. In addition, the average number of products per consumer has climbed with the new customer-centric approach.

More and better

Gjensidige plans to continue expanding its programs to further enhance its customer focus. The CRM team is deploying new segmentation initiatives and will continue streamlining the basic CRM infrastructure, which was inherited from Gjensidige’s former parent company, DnB NOR.

Next, the company will work on enhancing the cross-channel consumer experience, applying more distribution channels and building the client experience portion of the system. Says Opdal, “Teradata CRM will help Gjensidige to become even more customer-focused.”

Cheryl D. Krivda writes about the intersection of business and technology for publications and corporations around the world.